

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	FCC 04-137
Telecommunications Relay Services and)	CG Docket No. 98-67
Speech-to-Speech Services for)	
Individuals with Hearing and Speech Disabilities)	
Video Relay Services)	

**COMMENTS OF THE
NATIONAL ASSOCIATION FOR STATE RELAY ADMINISTRATION
IN RESPONSE TO THE FEDERAL COMMUNICATIONS COMMISSION
FURTHER NOTICE OF PROPOSED RULE MAKING
REGARDING TELECOMMUNICATIONS RELAY SERVICES**

Introduction:

The National Association for State Relay Administration (NASRA) membership now includes thirty-five states. The mission of NASRA is to function as a clearinghouse for state telecommunications relay service administrator topics, issues, standards and policy statements.

The NASRA comments address issues regarding Internet-enabled relay services and who should have cost recovery responsibility over these services. A majority of NASRA members support the comments made herewith. A few states will submit their own comments to the FCC and have gone on record and reported to NASRA that they support their state's comments and thus there is no need for these states to give support to the following comments.

NASRA submits its comments to the Report and Order, Order on Reconsideration and Further Notice of Proposed Rulemaking released on June 30, 2004. The comments address the following issues:

- VRS Cost Recovery – CC Docket No. 98-67
- IP Relay Cost Recovery Methodology

VRS Cost Recovery and IP Relay Cost Recovery Methodology.

The FCC has, on a temporary basis, ordered that Internet-enabled relay services - Internet Relay and Video Relay Service – receive cost recovery from the Interstate TRS Fund. One of the reasons for the federal reimbursement funding is that Internet based service providers are not able to identify originating and terminating points and therefore it is unknown whether calls should be billed as interstate or intrastate.

Another reason that the FCC chose to have the Interstate TRS Fund pay for these services was to encourage the formation of Internet-enabled relay services, particularly Video Relay Service, by interested TRS providers. NASRA congratulates the FCC for the foresight of providing federal reimbursement funding of these services which has greatly succeeded in reaching the goal of Internet-enabled relay services being provided across the USA.

In view of this accomplishment, the FCC now has redirected its action and asks for comments on an accounting methodology to accomplish what the FCC perceives to be the states' responsibility to fund for Internet-enabled services for local and intrastate calls.

NASRA, however, has noted that during the period of federal reimbursement for these Internet-enabled services a few unexpected benefits occurred. The first is that multi-vendoring (MV) was made possible. Multi-vendoring has allowed Internet-enabled users a unique opportunity to choose the Internet Relay and VRS providers they prefer to use. The other benefit of federal reimbursement funding has been a lively competition for video users and consequently high quality video conferencing was made possible. As a result, multi-vendoring produces constant, competitive activities among VRS and Internet Relay providers. This is one of the reasons why VRS and Internet Relay are now the hottest TRS commodities. Multi-vendoring greatly benefits video users and brings functional equivalency closer to what hearing persons enjoy - the ability to use a provider of their choice and receive high quality services.

NASRA notes that Internet technology does not use the same technology as the Public Switched Telephone Network (PSTN) and believes that Internet-based services need new regulations to meet these unique needs. Consequently, NASRA encourages the FCC to establish jurisdiction over Internet-enabled services of any kind and to establish VRS operating standards apart from TRS operating standards, and make VRS mandatory. NASRA suggests that Internet Relay and Video Relay Service fall under the umbrella of Interstate-enabled relay services since these two services use Internet technology and therefore should be grouped in the same category. As theory goes, these two features should be funded the same way - although it is obvious that the cost for each service will not be the same.

NASRA has the following concerns regarding the responsibility of intrastate cost recovery of Internet Relay and Video Relay service being passed on to states:

The chances of multi-vendoring diminish greatly as the cost of providing multi-vendoring by states will be prohibitively expensive. Most states would opt for one VRS provider and likely release a Request for Proposals (RFP) to select one VRS provider. The competition factor would only happen during the RFP process. This would deny Internet-enabled services users the option of having several vendors to choose from, whereby continuing federal reimbursement funding, multi-vendoring is possible and at a reasonable cost.

Additionally, if the FCC does not mandate VRS, most states will choose not to provide the service. The cost of providing VRS will vary greatly for each state as the pricing of VRS is dependent on how many VRS minutes can be generated by each state. As a result, the smaller states will suffer because they will not be able to generate enough call volume to reduce the cost; whereas states with large populations would enjoy more favorable pricing. Continuing full federal reimbursement funding would bypass this problem and allow multi-vendoring benefits as well.

NASRA believes that the federal government should opt for the most cost effective system for funding Internet-enabled services and not focus on where funding is coming from or be concerned with an increasing Interstate TRS Fund per se. Regardless of whether the fund that pays for Internet Enabled services is a federal or state fund, it is the consumers and rate payers who end up paying for the services as a fee on their telephone bill. Why take the chance of not only increasing what consumers will pay but also take the chance that some consumers may no longer be able to use the service at all if their state cannot afford it? Furthermore, state funding may bring an end to customer choice for many users. NASRA believes that the FCC should consider permanent

federal reimbursement for Internet-enabled services as it will minimize a number of problems if state funding is required.

Cost Recovery Methodology

The FCC raised the issue on a cost recovery methodology for Internet-enabled services and to make it possible for states to assume funding responsibility. Instead, NASRA would like to propose that the FCC make federal reimbursement funding permanent and create a separate fund of cost recovery for Internet-enabled relay services which can be outsourced to a fund administrator. Fees can be collected from local and intrastate service providers from each state for provision of local and intrastate VRS minutes. Fees can also be collected from interstate telephone providers for provision of interstate VRS minutes. The formula for collecting fees from the states' providers can be developed by the fund administrator.¹ NASRA believes the suggested methodology for Internet-enabled relay services to be the ideal cost recovery methodology and would minimize problems that state funding would pose.

¹ Identification of originating and terminating point can be based on historical data of other TRS data, or by requiring registration and verification procedure for VRS calls which would provide information on whether the VRS call is intrastate or interstate.

Conclusion

In conclusion, regardless of whether or not VRS should be included as mandatory relay service, NASRA believes that VRS should continue to be reimbursed from a separate TRS Fund on the basis of different technology utilizing the Internet. In addition, in the spirit of the lively competition among Internet-enabled relay services, multi-vendoring creates a unique opportunity that allows Internet-enabled relay users to select the Internet Relay and VRS providers of their choice. Furthermore, due to the nature of many States' procurement practices, most would be forced to opt for one Internet Relay /VRS provider. This would drive up the cost to the point that would possibly exceed the revenue each state receives under its spending authority for relay service. By the same token, Internet relay users lose their essential opportunity to choose which Internet-enabled relay providers they prefer. The spirit of competition would be lost and it would not encourage Internet Relay /VRS vendors to provide the best quality service to attract relay users.

Therefore, NASRA believes that the FCC should consider permanent federal reimbursement funding for Internet-enabled relay services as it would minimize the ultimate cost to consumers and at the same time maximize efficiency, quality and customer choice.

Respectfully submitted,

Ed Bosson

Chairman of NASRA

513 G. W. Haschke Lane

Wimberley, Texas 78676